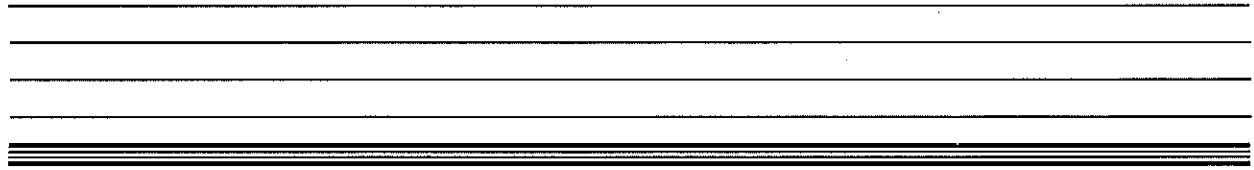


Oversight Division

Committee On Legislative Research

SUNSET REVIEW

MISSOURI TEACHING FELLOWS



Sunset Review

MISSOURI TEACHING FELLOWS

*Prepared for the Committee on Legislative Research
by the Oversight Division*

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Committee on Legislative Research Oversight Subcommittee

THE COMMITTEE ON LEGISLATIVE RESEARCH, Oversight Division, is an agency of the Missouri General Assembly as established in Chapter 23 of the Revised Statutes of Missouri. The programs and activities of the State of Missouri cost approximately \$24.0 billion annually. Each year the General Assembly enacts laws which add to, delete or change these programs. To meet the demands for more responsive and cost effective state government, legislators need to receive information regarding the status of the programs which they have created and the expenditure of funds which they have authorized. The work of the Oversight Division provides the General Assembly with a means to evaluate state agencies and state programs.

THE COMMITTEE ON LEGISLATIVE RESEARCH is a permanent joint committee of the Missouri General Assembly comprised of the chairman of the Senate Appropriations Committee and nine other members of the Senate and the chairman of the House Budget Committee and nine other members of the House of Representatives. The Senate members are appointed by the President Pro Tem of the Senate and the House members are appointed by the Speaker of the House of Representatives. No more than six members from the House and six members from the Senate may be of the same political party.

Sunset reviews are assigned to the Oversight Division pursuant to Section 23.250 to 23.298. After August 28, 2003, any new program authorized by the General Assembly shall sunset not more than six years after its effective date unless reauthorized by the General Assembly. The Oversight Division shall conduct a performance evaluation of the program as set forth in statute and prepare a written report. The report shall make recommendations on the sunset, continuation, or reorganization of a program.

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**COMMITTEE ON LEGISLATIVE RESEARCH
STATE OF MISSOURI
STATE CAPITOL
JEFFERSON CITY, MISSOURI 65101**

Members of the General Assembly:

The Joint Committee on Legislative Research is required by Section 23.259.1(3), RSMo to conduct performance evaluations of sunseting programs to determine and evaluate program performance in accordance with program objectives, responsibilities, and duties as set forth by statute or regulation. The Oversight Division has reviewed the following programs:

- Surviving Spouse Tax Credit;
- Film Production Tax Credit;
- New Markets Tax Credit;
- After School Retreat Reading and Assessment Check Off;
- Missouri Teaching Fellows; and
- Healthcare Access Fund Tax Credit

The approved reports include Oversight's comments on (1) the sunset, continuation, or reorganization of the program, and on the need for the performance of the functions of the program; (2) the duplication of program functions; (3) the appropriation levels for each program for which sunset or reorganization is recommended; and possibly (4) drafts of legislation necessary to carry out the committee's recommendations pursuant to (1) and (2) above.

We hope this information is helpful and can be used in a constructive manner for the betterment of the state program to which it relates. You may obtain a copy of the reports from the Oversight Division website at <http://www.moga.mo.gov/htmlpages/losunsetreview.html>.

Respectfully,


Senator Brad Lager
Chairman

Chapter 1

Purpose/Objectives

The General Assembly has provided by law that the Joint Committee on Legislative Research will conduct a performance evaluation of a program subject to the Missouri Sunset Act. The committee shall consider the criteria as listed in Section 23.268 RSMo, in determining whether a public need exists for the continuation of a program, or for the performance of the functions of the program. A sunset review is the regular assessment of the continuing need for a state program to exist. A sunset review answers the basic questions of what has happened to this program since its inception and does the State of Missouri continue to “need” the services provided by the program.

The Joint Committee on Legislative Research directed the Oversight Division to conduct a Sunset Review of the Department of Higher Education’s Missouri Teaching Fellows Program, Sections 168.700 and 168.702, RSMo. This report provides an update on the Missouri Teaching Fellows Program as created by Senate Substitute #6 for Senate Committee Substitute for Senate Bill 389 in the 2007 legislative session.

Oversight’s review addressed, but was not limited, the following:

1. Compiling all data related to the program since its inception.
2. Gathering data from other states that have Teaching Fellows Programs.
4. Obtaining suggested legislative changes from the Department of Higher Education.

Scope

The Oversight Division researched the laws regarding the Missouri Department of Higher Education’s Teaching Fellows Program from 2007 through 2012, as well as annual reports prepared by the Missouri State Treasurer’s Office on the Missouri Teaching Fellows Program Fund and Department of Higher Education appropriation bills.

Methodology

The Oversight Division obtained information on the Missouri Teaching Fellows Program through review of statutes, letter correspondence with the Missouri Department of Higher Education, interviews with staff at the Missouri Department of Higher Education and review of the department's budget bills. The Oversight Division also reviewed annual reports prepared by the Missouri State Treasurer on state fund activities.

Background

The Missouri Department of Higher Education (MDHE) coordinates higher education policy and promotes a quality post-secondary education system. Some of the MDHE's primary responsibilities include statewide planning for higher education, evaluation of student and institutional performance, development of specialization among institutions, administration of a statewide post-secondary technical education program, establishment of guidelines to promote student transfer among institutions, approval of new degree programs offered by colleges and universities, and administration of student financial assistance programs.

The Missouri Teaching Fellows Program (Fellows Program), Section 168.700, RSMo, is a loan repayment program for eligible high school students who enter teaching programs in Missouri colleges and agree to teach in unaccredited Missouri public schools as they start their teaching careers. High school students interested in participating in the Fellows Program are required to have high cumulative grade point averages (GPA) ranking in the top 10 percentile of their graduating class and scores in the top 20 percentile on either the ACT or the SAT test or have a cumulative GPA ranking in the top 20 percentile of their graduating class and scores in the top 10 percentile on the ACT or SAT.

Qualified students entering the program agree to: 1) attend a teaching program at a Missouri institution of higher education and attain a teaching certificate and either a bachelors or graduate degree; 2) maintain a cumulative GPA of 3.0 or higher on a 4.0 scale; 3) sign an agreement with the MDHE agreeing to engage in qualified employment upon graduation from a higher education institution; and 4) teach in an unaccredited school district for five years following college graduation.

In return for participating in the program, qualifying teachers' student loans may be repaid by the MDHE up to \$5,000 per year at the conclusion of each of the first four teaching years. Teachers without student loans may receive a yearly stipend of up to \$5,000 per year, and all participants receive a \$1,000 stipend at the end of the fifth year. The maximum of \$5,000 per

year and the \$1,000 stipend are to be adjusted annually by the same percentage as the increase in the general price level as measured by the Consumer Price Index for All Urban Consumers for the United States. The amount of any repayment of educational loans or the issuance of a stipend is limited to the actual cost of tuition, required fees, and room and board for the eligible applicant at the institution of higher education from which the applicant graduated.

Section 168.700 also provides that the MDHE is to maintain a Missouri teaching fellows program coordinator position to identify, recruit, and select potential students. The MDHE is authorized to promulgate rules to enforce the provisions of the act, including but not limited to, applicant eligibility, selection criteria, and loan repayment contracts. If the number of applicants exceeds the revenues available for loan repayment or stipends, priority is to be given to those applicants with the highest high school GPA and highest scores on the ACT or SAT assessments.

The Missouri Teaching Fellows Program Fund was created in the state treasury. The legislation states, subject to appropriations, the General Assembly shall appropriate an amount necessary to properly fund the Fellows Program. The appropriation amount is not to exceed one million dollars in any fiscal year.

Section 168.702 RSMo, provides for the provisions of Section 168.700 to sunset in six years, or on August 28, 2013, unless reauthorized by act of the general assembly.

No updates or revisions to sections 168.700 and 168.702 have been made since the original passage and signing of the bill into law; therefore, the Fellows Program is scheduled to expire on August 28, 2013.

History

The MDHE was directed to administer the Missouri Teaching Fellows Program (Fellows Program) with the passage and signing of Senate Substitute #6 for Senate Committee Substitute for Senate Bill 389 during the 2007 legislative session. The Truly Agreed to And Finally Passed SS #6 SCS SB 389 created Sections 168.700 and 168.702, RSMo.

The Fellows Program was designed to encourage eligible high school seniors who entered teaching programs in Missouri colleges and agreed to teach in unaccredited Missouri public schools as they started their teaching careers, loan repayment in an amount up to \$5,000 per year for each of the first four teaching years and \$1,000 at the end of the fifth year. The MDHE was directed to administer the program and promulgate rules to enforce the provisions of the program.

Section 168.700.9 provides, "Subject to appropriations, the general assembly shall include an amount necessary to properly fund this section, not to exceed one million dollars in any fiscal year..."

Review of the Coordinating Board of Higher Education/MDHE meeting notes and Implementation Matrixes indicate the MDHE began work to develop the Fellows Program in June, 2007 after SB 389 was passed. However, September, 2009 meeting notes and interviews with staff indicate the MDHE received instructions from the Office of Administration and the Governor to not include funding requests for new budget items. Review of MDHE's budget bills from SFY 2008 through 2012 confirmed that the Fellows Program received no funding from the Legislature. As a result, the MDHE could not fund the required program coordinator and further development of the program was suspended. The Fellows Program has not been implemented due to lack of funding by the Legislature.

Chapter 2

Comments

This program provides that qualifying high school students who enter teaching programs in Missouri colleges and agree to teach in unaccredited Missouri public schools for five years following college graduation may receive up to \$5,000 annually at the end of each of the first four years and \$1,000 at the end of the fifth year for repayment of college education costs.

Officials from the Department of Higher Education (MDHE) and Office of State Treasurer indicate that the program was never funded by the General Assembly. As a result, no rules and regulation or procedures have been adopted to implement the provisions of Sections 168.700 and 168.702.

Missouri appears to be the only state in the nation that has a Teaching Fellows Program designed as a loan repayment program. Only North Carolina and South Carolina have teaching fellows programs that recruit graduating high school students. However, both of these programs are set up as scholarship programs. If the recipient does not fulfill the obligations of the program by teaching in that state's public schools, the recipient is required to repay the scholarship (in part or in full, depending on how many years were spent teaching in public schools).

Potential Statute Changes

MDHE officials indicated several statutory changes would be helpful if the program were to be extended. Some of the statute changes/clarification language suggested include:

- 1) Changes/clarification to eligibility criteria: Current criteria does not stipulate the candidate be a Missouri resident or graduate from a Missouri high school. However, it depends on the intent of the legislature as to whether this would/would not be an issue;
- 2) Changes/clarification to language related to high school class rank: Not all schools issue class ranks and there would be no way for MDHE to verify the data;
- 3) Grade point average provisions: Provisions as they are currently written would exclude GED completers as well as present problems for how home-schooled students would be treated;
- 4) Language pertaining to "qualified employment": Some of this language may be too restrictive and severely limit the applicant pool. The current language may hamper the ability of the program to be successful if it were to be funded;
- 5) Changes/clarification to the use of Consumer Price Index (CPI) adjustments: There is no stipulation on when CPI adjustment would begin, among other concerns; and,
- 6) Clarification relating to what is meant by "actual" costs of tuition, room and board, required fees, etc. In addition, these expenses/fees often change on an annual basis,

thereby complicating the determination of what costs would be used to determine maximum awards.

Recommendation

This program has not been implemented. Since the program has not been funded, nor have rules, regulations and procedures been adopted, it is the opinion of the Oversight Division that the General Assembly should allow this program to sunset.